



DISASTER NEWS

Economic Injury Loans for Small Businesses

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Disaster Assistance Available for Small Businesses

Sacramento, CA – Small, non-farm businesses in six counties are eligible to apply for low interest disaster loans. These loans are to offset economic losses because of reduced revenue to farmers and ranchers caused by adverse weather conditions, announced Alfred E. Judd, Disaster Area Director of the U. S. Small Business Administration (SBA). Small businesses in the following primary and adjacent counties may apply for economic losses that are attributable to the following incident dates and adverse weather conditions:

San Luis Obispo (adjacent counties of Kern, Kings, Monterey and Santa Barbara) – insufficient chill hours, rainfall and high heat from April 1, 2003 through October 31, 2003.

Santa Barbara (adjacent counties of Kern, San Luis Obispo and Ventura) – insufficient chill hours, cool/wet weather and an extended hot spell from April 1, 2003 through October 31, 2003.

Small businesses may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$1.5 million to help meet financial obligations and operating expenses, which could have been met had the disaster not occurred. "Eligibility for these working capital loans is based on the financial impact of the disaster only, and not on any actual property damage. These loans have an interest rate of 3.189%, a maximum term of 30 years, and are restricted to businesses without the financial ability to offset the adverse impact without hardship," Judd said.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Ann M. Veneman declared these disasters at the request of the Director of the Office of Emergency Services, on behalf of Governor Arnold Schwarzenegger.

Businesses primarily engaged in farming or ranching are ineligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency (FSA) about the U. S. Department of Agriculture (USDA) assistance made available by the Secretary's declaration.

Information and application forms may be obtained by writing to SBA at **P.O. Box 419004, Sacramento, CA 95841-9004** or by calling **(800) 488-5323**. Hearing impaired individuals may call (916) 735-1683. The deadline to apply for these loans is **December 23, 2004**.

For more information visit SBA's website at www.sba.gov/disaster.